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OFFICE OF THE
EXECUTIVE SECRETARY

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March 16, 2001

Via Hand Delivery

David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

RE: Petition for Arbitration by ITC^DeltaCom Communications, Inc. with BellSouth
Telecommunications, Inc., Pursuant to the Telecommunications Act of 1996; Docket No.
99-00430

Dear Mr. Waddell:

Enclosed for filing in the above-referenced matter are the original and 13 copies of the Initial Response of ITC^DeltaCom Communications, Inc. to BellSouth Telecommunication, Inc.'s Motion for Reconsideration and Clarification and Motion of ITC^DeltaCom Communications, Inc. for Leave to File Detailed Response and to File Reply Brief

Sincerely,



H. LaDon Baltimore
LDB/dcg

cc: Nanette Edwards, Esq.
David Adelman, Esq.
Guy Hicks, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE
March 16, 2001**

IN RE:)	
)	
PETITION FOR ARBITRATION BY)	
ITC^DELTACOM COMMUNICATIONS,)	DOCKET NO. 99-00430
INC. WITH BELL SOUTH)	
TELECOMMUNICATIONS, INC.)	
PURSUANT TO THE)	
TELECOMMUNICATIONS ACT OF 1996)	

**INITIAL RESPONSE OF ITC^DELTACOM COMMUNICATIONS, INC.
TO BELL SOUTH TELECOMMUNICATIONS, INC.'S
MOTION FOR RECONSIDERATION AND CLARIFICATION AND
MOTION OF ITC^DELTACOM COMMUNICATIONS, INC.
FOR LEAVE TO FILE DETAILED RESPONSE AND TO FILE REPLY BRIEF**

I. INTRODUCTION

Comes now ITC^DeltaCom Communications, Inc. ("ITC^DeltaCom") and files this Initial Response to BellSouth Telecommunications, Inc.'s ("BST") Motion for Reconsideration and Clarification . On March 12, 2001, BST filed a Motion for Reconsideration and Clarification ("March 12, 2001 Motion"). On March 14, 2001, the Tennessee Regulatory Authority ("TRA" or "Authority") issued a Notice of Arbitration meeting to consider the March 12, 2001 Motion.

II. DISCUSSION

In its February 6, 2001 arbitration ruling and the written order of February 23, 2001, the Authority provided that BellSouth could supplement or amend its previous motions for reconsideration and clarification.

BST's March 12, 2001 Motion is without merit and ITC^DeltaCom opposes the granting. First, BST states that most of the modifications to BST's SQMs ordered by the Authority were not requested by ITC^DeltaCom. This issue was addressed in the Response of ITC^DeltaCom

to BST's second motion for reconsideration and clarification filed September 8, 2000, pages 2-5, in which ITC^DeltaCom set forth the TRA's authority.

Secondly, the TRA correctly decided that modifications to BST's SQMs are necessary to determine BST's compliance with its obligations under the 1996 Act.

Thirdly, the TRA properly considered the standards and benchmarks for each measurement and the methodology for defining and calculating the standards and benchmarks. If clarification is necessary, it should be after further proceedings in which ITC^DeltaCom has an opportunity to fully respond to BST's request for clarification.

Fourthly, the TRA properly considered ITC^DeltaCom's and BST's Final Best Offers and correctly adopted enforcement mechanisms combining both Final Best Offers.

Fifth, modification of BST's SQMs should not await the conclusion of a generic proceeding to examine performance measures for the entire industry. The Authority, in numerous proceedings, has ordered interim solutions until final decisions have been made.

For the reasons set forth above, the TRA should deny BST's March 12, 2001 Motion.

In the alternative, ITC^DeltaCom requests that it be given additional time to respond to the March 12, 2001 Motion and that the TRA continue this matter from Tuesday, March 20, 2001 until the next Authority conference. ITC^DeltaCom will waive any assertions that the March 12, 2001 Motion was not considered within the requisite 20 days, and such continuance would still allow the disposition of the March 12, 2001 Motion within 30 days, consistent with Tenn. Code Ann. § 65-2-118.

In the further alternative, if the TRA does grant BST's March 12, 2001 Motion, under Tenn. Code Ann. § 4-5-317(c), the TRA has the option to set the matter for further proceedings.

Also, under Tenn. Code Ann. § 65-2-119, the TRA shall establish proceedings upon the granting of a petition for rehearing.

In the event the TRA grants BST's March 12, 2001 Motion, ITC^DeltaCom respectfully requests that the Authority set this matter for further hearings and procedures, including allowing ITC^DeltaCom to respond more fully to the arguments raised in the March 12, 2001 Motion, and furthermore to allow ITC^DeltaCom to reply to any BST responses to ITC^DeltaCom's response.

III. CONCLUSION

For the foregoing reasons, the TRA should:

1. Deny BST's March 12, 2001 Motion; or
2. In the alternative, defer consideration of the March 12, 2001 Motion until the next Authority conference and grant ITC^DeltaCom additional time to file a more detailed response; or
3. In the further alternative, if the TRA grants the March 12, 2001 Motion, the TRA should set this matter for further proceedings, including a schedule in which ITC^DeltaCom may file a more detailed response to the March 12, 2001 Motion and file a reply to any BST reply to ITC^DeltaCom's response.

Respectfully submitted this the 16th day of March, 2001.



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 16th day of March, 2001, a true and correct copy of the foregoing was served by hand delivery, facsimile transmission, overnight delivery or U. S. Mail, first class postage prepaid, to the following:

Guy Hicks, Esq.
BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300



H. LaDon Baltimore